

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7722**

**BILL NUMBER:** SB 461

**NOTE PREPARED:** Feb 6, 2003

**BILL AMENDED:** Feb 4, 2003

**SUBJECT:** Medicaid Fraud Control Unit Authority.

**FIRST AUTHOR:** Sen. Miller

**FIRST SPONSOR:** Rep. C. Brown

**BILL STATUS:** As Passed - Senate

**FUNDS AFFECTED:** X

**GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill states that the state Medicaid Fraud Control Unit has the authority to investigate Medicaid fraud, misappropriation of a Medicaid patient's private funds, abuse, and neglect of Medicaid patients and patients in board and care facilities in accordance with federal law. The bill authorizes a court to order a provider to reimburse the Attorney General for the reasonable costs of the Attorney General's investigation and enforcement of Medicaid fraud. (Current law limits the award to \$500.) The bill also makes conforming amendments.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** According to the Attorney General's office, this bill makes Indiana statute consistent with federal statute and regulations regarding the authority to investigate various aspects of Medicaid fraud, abuse, and neglect.

**Explanation of State Revenues:** The bill also removes the limitation on the amount of investigation and enforcement costs that a provider would be ordered by a court to reimburse the Attorney General's office. The current limitation is \$500. This potentially can result in additional reimbursement for the Medicaid Fraud Control Unit.

According to the Attorney General's office, during FY 2002, there was a total of three fraud cases in which plea agreements resulted in reimbursement for costs of investigation totaling \$36,953. However, there were no court-ordered reimbursements in 2002, the type of reimbursement that would be affected by eliminating the cap in current statute. Reimbursements are made to the Medicaid Fraud Control Unit's account for use by the Unit.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Attorney General's office.

**Local Agencies Affected:**

**Information Sources:** Jennifer Thuma, Attorney General's Office, (317) 233-6143.

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